# The India – Middle East – Europe Economic Corridor

written by Asher Fredman | 26.06.2025

- The India-Middle East-Europe Corridor (IMEC) initiative holds the potential to transform global trade, strengthen regional cooperation, and catalyze international economic growth.
- In the words of the September 2023 IMEC MOU, signed by the EU, Germany, France, Italy, UAE, Saudi Arabia, India and the U.S., the corridor "will increase efficiencies, reduce costs, enhance economic unity, generate jobs, and lower greenhouse gas emissions – resulting in a transformative integration of Asia, Europe and the Middle East."
- IMEC is envisioned to include two separate corridors – the East Corridor connecting India to the Arabian Gulf and the Northern Corridor connecting the Arabian Gulf to Europe.
- In addition to a sea-rail trade route, the IMEC vision includes trans-regional infrastructure for electricity, green hydrogen and digital connectivity.
- Despite the tremendous potential of IMEC, there have been relatively few in-depth studies of its specific components, projected benefits, costs and

obstacles. This study aims to assist in filling this gap, and to provide concrete recommendations for advancing implementation.

- Drawing on precedents such as the Hejaz Railway and Israel's Tracks for Regional Peace proposal, IMEC gained momentum following the 2020 Abraham Accords. Despite regional tensions following Hamas' October 7, 2023, terror attack, IMEC partner countries continue to advance the initiative.
- IMEC has taken on increasing importance as a result of the growth in EU-India trade, the desire of the EU and U.S. to reduce dependence on China, and disruptions to Red Sea shipping.
- Following the return of President Trump to the White House, IMEC has seen renewed momentum.
- While official statements indicate that IMEC could provide a 40% time savings on transit from India to Europe, this study finds that expected time savings may be even greater, exceeding 50%. The potential time savings for UAE-Israel trade are even more dramatic, ranging from 65%-93%.
- In terms of the expected volume of trade utilizing IMEC, this study considers that EU-India trade reached €124 billion in 2023, that EU imports from India grew at an annual rate of 13.2% while exports grew at a rate of 6.1%, and that approximately 90% of EU-India trade is containerized.
- It also considers that trade between the UAE and Israel has grown by more than 165% since the signing of the Abraham Accords.
- Therefore, even if only a limited percentage of Europe-India and intra-Middle East trade utilizes IMEC, this would have significant economic benefits for IMEC countries in terms of direct revenues, employment, infrastructure and technological development.
- IMEC will enable the EU to decrease its dependency on China in critical areas such as pharmaceuticals, electronics and textiles.
- European nations, such as Germany, can leverage their expertise in transportation, logistics and infrastructure to play a key role in the development of the corridor.
- Additional country-specific benefits include the opportunity for the UAE and Saudi Arabia to strengthen their position as global logistics hubs, for Jordan to realize its long-planned national railway project, for Israel to expand its regional integration, for India to accelerate the growth of key

domestic industries, and for the West to counter-balance initiatives such as BRI and INTSC, dominated by China, Iran and Russia.

- Given that sea transport will remain generally less expensive than overland freight, this study examines which types of goods, such as time-sensitive and high-value items, and those with high inventory costs, would be likely to utilize IMEC.
- The study also maps out projected rail routes, key ports and border crossings, in order to identify where the necessary freight infrastructure currently exists, and where it is missing.
- The paper also considers potential funding sources for IMEC, and examines projected costs.
- The study concludes with fifteen recommendations for advancing IMEC in an efficient and expedited manner.
- These recommendations include the convening of an IMEC Leaders Forum in 2025, and the establishment of an IMEC Secretariat and four Working Groups in the fields of Infrastructure, Financing, Security and Regulations.
- The U.S. and EU should designate IMEC as a priority initiative within the 'Partnership for Global Infrastructure and Investment' and 'Global Gateway' frameworks, and diverse public-private partnerships should be advanced.
- China's involvement in key nodes along the corridor should be mitigated.
- Countries along the IMEC route should enhance cooperation to ensure customs and standards integration, a shared legal framework, the implementation of best-in-class trade technologies, and robust physical and cyber-security protocols.
- This cooperation on overland trade can then be leveraged to advance IMEC-related energy, electricity and digital connectivity as well.

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